

Alabama Power rate increase delayed 3 months

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By **The Associated Press**

MONTGOMERY — Rate increases scheduled to take place Jan. 1 for Alabama Power customers are being delayed, and rates of Alabama Gas Corp. and Mobile Gas are being reduced.

The Public Service Commission announced Tuesday that Alabama Power had been entitled to a \$7.5 million rate increase to offset expenses for complying with federal environmental rules, but the company has agreed to delay that increase until 2012.

The amount Alabama Power charges customers to cover its fuel costs was due to go up Jan. 1 after a temporary reduction, but the company has agreed not to increase the rate through March 31. Commissioner Terry Dunn said that should save consumers about \$62 million.

Among other utilities, Alabama Gas Corp. will lower its residential rates 2.4 percent Jan. 1 and rates for Mobile Gas Service Corp. will go down about 2 percent.

Mobile Gas rates were due to drop under the formula the PSC uses for setting rates, but Alabama Gas agreed to a voluntary reduction.

Dunn said he had encouraged utilities to hold down rates until Alabama's economy recovers.

"Households and businesses in Alabama need all the help they can get during this recession," he said.

http://blog.al.com/wire/2010/12/alabama_power_rate_increase_de.html